



WILLIAM T FUJIOKA  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION  
LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

August 21, 2007

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES: APPROVE AMENDMENT  
NO. 2 TO AGREEMENT WITH FORTINO CASTANEDA, M.D., INC.  
FOR RADIOLOGY AND TELERADIOLOGY SERVICES  
(SUPERVISORIAL DISTRICTS 2 AND 5)  
(3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Approve and instruct the Director of Health Services, or his designee, to execute and sign Amendment No. 2, substantially similar to Exhibit I, to Agreement No. H-701705 with Fortino Castaneda, M.D. Inc. (Fortino), which provides for the continued provision of radiology and teleradiology services to Martin Luther King, Jr.-Harbor Hospital (MLK-Harbor), the expansion of services to include patients at Harbor-UCLA Medical Center (Harbor), Olive View-UCLA Medical Center (OVMC), and High Desert Health System (HDHS), and an extension of the term of this Agreement, effective September 1, 2007 through August 31, 2008, for a total maximum obligation of \$1,773,700 for the continuation period.

**PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION**

Approval of the Amendment to the Agreement with Fortino will continue the provision of radiologists and teleradiology services to MLK-Harbor and expand the provision of these services to include Harbor, OVMC and HDHS.

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

The radiology and teleradiology services will include as-needed on-site coverage which is necessary to address critical staff shortages, peak workload requirements and emergencies by providing additional radiology support staff and services for the Department of Health Services (DHS or the Department).

### **FISCAL IMPACT/FINANCING**

The total maximum obligation for the amendment to the Agreement with Fortino, effective September 1, 2007 through August 31, 2008 is \$1,773,700, consisting of \$1,400,000 for MLK-Harbor, \$70,000 for Harbor, \$175,000 for OVMC and \$128,700 for HDHS.

Funding is included in the Department's Fiscal Year (FY) 2007-08 Adopted Budget and will be requested in future fiscal years.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The recruitment and retention of qualified physician radiologists continues to be difficult for the Department. Maintaining adequate staffing for the radiology services at MLK-Harbor is an ongoing need and problems with radiology staffing began with the removal of the accreditation of the radiology resident training program in June 2004 and the lack of supplemental coverage provided by medical residents.

MLK-Harbor attempted to fill its radiology services gaps with agency services, however, additional staff are needed to adequately cover the radiology service needs for the facility.

On May 17, 2005, the Board approved a sole source Agreement with Rad-Image Medical Group, Inc. for the provision of teleradiology services. This action allowed MLK-Harbor to reduce a backlog within the Radiology department and maintain the staff levels necessary to provide critical patient services.

On October 18, 2005, the Board also approved a sole source Agreement with Fortino to augment the number of staff available to provide radiology and teleradiology services to MLK-Harbor. These additional contract services were necessary to address the peak workloads and emergencies at the facility. Fortino provides additional radiology services from Sunday through Thursday, 6:00 p.m. through 7:00 a.m. daily and on-site physician radiology coverage from Friday 6:00 p.m. through Sunday 6:00 p.m. and, as required by the County. The current distribution of radiology reads are 80 percent by teleradiology and 20 percent at the facility site.

On August 15, 2006, the Board approved Amendment No. 1 that extended the contract term for six months with a provision for a month-to-month extension of the contract term through August 31, 2007.

The recommended amendment to the Agreement with Fortino will extend the contract term effective September 1, 2007 through August 31, 2008 and expand the provision of services from just MLK-Harbor to include Harbor, OVMC and HDHS. The contract extension is also necessary to allow the Department the additional time necessary to complete the Statement of Work for multiple facilities, release a solicitation and complete the competitive selection process.

Payment to Fortino for teleradiology and radiology services is set on a fee per-study basis, for each study for which there is a dictated and signed report. The rates of payment are unchanged.

The County may terminate the Agreement upon a 30-day advance written notice to Fortino, although the Agreement may also be terminated in whole or in part immediately if MLK-Harbor were to close. Fortino may terminate the Agreement upon a 60-day advance written notice to the County.

The Agreement includes all of the standard provisions mandated by the Board. In addition, the Agreement includes mutual indemnity provisions and coverage of malpractice liability by the County for off-site teleradiology services.

Attachments A and B provide additional information.

County Counsel has reviewed and approved Exhibit I, as to use and form.

### **CONTRACTING PROCESS**

The initial sole source agreement with Fortino was necessary to ensure the continuation of radiology services at MLK-Harbor and address critical staffing shortages, peak workloads and emergencies at the facility.

An open competitive solicitation has been delayed due to the need to complete a statement of work which will include multiple facilities. Additional delays have also been associated with staffing shortages and turnover.

The Department intends to develop, finalize and release the solicitation in the Spring of 2008. The resulting list of available radiologists will be utilized as required to ensure that as needed staffing is available adequately to cover the service needs for MLK-Harbor and other DHS facilities.

The Department intends to issue a solicitation for these services and, therefore, the recommended extension is needed to provide time to complete the solicitation process. All solicitations will be advertised on the Los Angeles County Online website.

**IMPACT ON CURRENT SERVICES (OR PROJECT)**

Board approval of the recommended amendment will ensure the continued provision of physician radiology and teleradiology services to the patients served by MLK-Harbor and expand the provision of services to include additional DHS facilities.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:SRH:SAS  
DRJ:LT:bjs

Attachments (3)

c: County Counsel  
Director and Chief Medical Officer, Department of Health Services

**SUMMARY OF AMENDMENT**

1. TYPE OF SERVICE/PROJECT:

As needed physician radiology and teleradiology services.

2. AGENCY ADDRESS AND CONTACT PERSON:

Fortino Castaneda, M.D. Inc.  
3686 Yorkshire Road  
Pasadena, California 91107  
Attention: Fortino Castaneda, M.D. , Chief Executive Officer  
Telephone: (626) 437-9516

3. TERM:

September 1, 2007 through August 31, 2008.

4. FINANCIAL INFORMATION:

The total maximum obligation for the amendment to the Agreement with Fortino, effective September 1, 2007 through August 31, 2008 is \$1,773,700, consisting of \$1,400,000 for MLK-Harbor, \$70,000 for Harbor, \$175,000 for OVMC and \$128,700 for HDHS. Funding is included in the Department's Fiscal Year (FY) 2007-08 Adopted Budget and will be requested in future fiscal years.

5. GEOGRAPHIC AREA TO BE SERVED:

Second District and Fifth District.

6. ACCOUNTABLE FOR MONITORING AND EVALUATION:

Administrators and Medical Directors at Martin Luther King, Jr.-Harbor Hospital, Harbor-UCLA Medical Center, High Desert Health System and Olive View-UCLA Medical Center.

7. APPROVALS:

Martin Luther King, Jr.-Harbor Hospital:	Antionette Smith Epps, CEO
Harbor-UCLA Medical Center:	Miguel Ortiz-Marroquin, Acting CEO
High Desert Health System:	Beryl Brooks, CEO
Olive View-UCLA Medical Center:	Gretchen McGinley, COO
Contracts and Grants:	Cara O'Neill, Division Chief
County Counsel (review):	Anita Lee, Principal Deputy County Counsel

**RADIOLOGY AND TELERADIOLOGY SERVICES AGREEMENT**

**MAXIMUM RATES BY AGREEMENT**

A. Professional Services: In payment for Professional Services and each and every other responsibility imposed on Contractor by the Agreement, including but not limited to the obligation to make physicians available as specified in Paragraph 2.C of Exhibit A-1 of the Agreement, except Administrative Services, Contractor will receive a fee based on the following schedule. The fee will be paid for each Study for which there is a dictated and signed report.

- (1) Magnetic Resonance: \$55 per Study
- (2) Computed Tomography: \$45 per Study
- (3) Ultrasound: \$35 per Study
- (4) General Diagnostic Studies: \$15 per Study
- (5) Gastrointestinal Studies: \$100
- (6) Nuclear Medicine Studies: \$45
- (7) Angiography performed while providing services onsite during prescheduled hours: \$700
- (8) Angiography performed after Contractor came in during non-scheduled hours: \$900
- (9) Other interventional procedures, including but not limited to, PICC Line insertions to be completed only when Contractor is scheduled to provide service on-site: \$150.

B. "Study" is defined as a procedure that is described using a distinct procedural code under the Current Procedure Terminology (CPT) of the American Medical Association, and which would warrant a separate payment under the rules applied by the Medicare Program. For example, if two (2) CPT codes are utilized, consistent with the rules applied by the Medicare Program to describe the professional services furnished under this Agreement, there would be a fee for two (2) Studies under this Agreement.

C. Payment for each Study described in categories 7 and 8 above includes payment for the complete provision of services, i.e., preliminary procedures and/or preparation for the examination, the provision of the actual examination, the overall interpreting process, and all required follow-up to insure the report is accurate and released to the referring physician in the time frames provided for in this Agreement.

RADIOLOGY AND TELERADIOLOGY SERVICES AGREEMENT

Amendment No. 2

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 2007,

by and between                      COUNTY OF LOS ANGELES (hereafter  
   "County")  
  
and                                      FORTINO CASTANEDA, M.D., INC.  
   (hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled  
"RADIOLOGY AND TELERADIOLOGY SERVICES AGREEMENT" dated October  
18, 2005 and further identified as County Agreement Number H-  
701705, and any Amendments thereto (all hereafter referred to as  
"Agreement");

WHEREAS, it is the intent of the parties hereto to extend  
Agreement and provide other changes set forth herein; and

WHEREAS, said Agreement provides that changes may be made in  
the form of a written Amendment which is formally approved and  
executed by the parties.

NOW, THEREFORE, the parties hereto agree as follows:

1.     This Amendment shall become effective  
September 1, 2007.

2.     Paragraph 1, DEFINITIONS of the body of this Agreement  
shall be amended to read as follows:

"1. DEFINITIONS:

A. "Administrator" is the individual acting in the capacity of Chief Executive Officer of Martin Luther King, Jr.-Harbor Hospital (MLK-Harbor), Harbor-UCLA Medical Center (Harbor), Olive View-UCLA Medical Center (OVMC) and High Desert Health System (HDHS).

B. "Director" means the Director of County's Department of Health Services, or his or her authorized designee.

C. "County Registered Patient" is a person receiving care at MLK-Harbor, Harbor, OVMC and HDHS who is registered as an inpatient or an outpatient in the Facilities system.

D. "Physician Affiliate" means a licensed physician providing services under this Agreement who is not a principal in Contractor. It includes, but is not limited to, all physician employees or subcontractors.

E. "On Site" means provided on the licensed premises of MLK-Harbor, Harbor, OVMC and HDHS."

3. Paragraph 2, TERM AND TERMINATION of the body of this Agreement shall be amended to read as follows:

"2. TERM AND TERMINATION: The term of this Agreement shall commence upon date of Board approval, and shall continue in full force and effect to and including August



31, 2008, unless terminated sooner pursuant to the terms of this Agreement. All provisions of the Agreement in effect on the date the extension period commences shall remain in effect for the duration of the extension.

Except as otherwise set forth below, this Agreement may be terminated at any time by the County, with or without cause, upon the giving of at least thirty (30) calendar days' advance written notice thereof to the Contractor.

County may terminate this Agreement immediately if Contractor, or any of its officers, employees, or agents, including any one or more of its physician affiliates, fail to comply with the terms of this Agreement, or fail to carry out within a reasonable time any directions, by or on behalf of County issued pursuant to this Agreement.

County may terminate this Agreement, in whole or in part immediately, if Martin Luther King, Jr.-Harbor Hospital loses its license or is otherwise closed.

County may also terminate this Agreement immediately if County has a reasonable belief that Contractor, its physician affiliates or its principals, may be engaging in a course of conduct which poses an imminent danger to the life or health of County patients.

In cases of immediate termination, County shall provide a written "Notice of Immediate Termination" which shall be effective upon Contractor's receipt of it, or upon the date specified in the Notice, whichever is later.

County's failure to exercise its rights of termination shall not constitute waiver of such rights, and the same may be exercised at any subsequent time.

This Agreement may be terminated at any time by the Contractor, with or without cause, upon the giving of at least sixty (60) calendar days' advance written notice thereof to the County."

3. Paragraph 4, DESCRIPTION OF SERVICES, of the body of the Agreement shall be amended to read as follows:

"4. DESCRIPTION OF SERVICES: Contractor shall, upon the written request of Director or Administrator, arrange for the provision of the specialty medical services described in Exhibit A-2, attached hereto and incorporated herein by reference."

4. Paragraph 5, BILLING AND PAYMENT, of the body of the Agreement shall be amended to read as follows:

"5. BILLING AND PAYMENT: All billings by Contractor for services provided pursuant to this Agreement shall be in accordance with the terms, conditions, and rates set forth

in Exhibit B-2, attached hereto and incorporated herein by reference.

Unless otherwise specified in writing signed by Director, neither Contractor, its principals nor its physician affiliates shall bill any patient or any payor for services rendered pursuant to this contract and shall consider payment by County to be payment in full for such services. Contractor shall assure that its principals and physician affiliates take all steps necessary to assign to County their rights to payment by any patient or third party payor, including Medicare and Medi-Cal.

Martin Luther King, Jr.-Harbor Hospital (MLK-Harbor), High Desert Health System (HDHS), Olive View-UCLA Medical Center (OVMC) and Harbor-UCLA Medical Center (Harbor) are required to maintain certain records related to physicians providing services at each of their respective facilities. Such records may include, but are not limited to: Physician Time Allocation Surveys and Professional Services Assignment Agreements. Contractor shall fully cooperate with MLK-Harbor, HDHS, OVMC and Harbor in completing such records whenever requested by the Administrators to do so."

6. Paragraph 6, MAXIMUM OBLIGATION, of the body of the Agreement shall be amended to read as follows:

"6. MAXIMUM OBLIGATION: The maximum compensation shall

be as follows:

A. For the period, date of Board approval through August 31, 2006, the maximum obligation shall not exceed One Million Four Hundred Thousand Dollars (\$1,400,000).

B. For the period, September 1, 2006 through February 28, 2007, the maximum obligation shall not exceed Seven Hundred Thousand Dollars (\$700,000).

C. For the period, March 1, 2007 through August 31, 2007, the maximum obligation shall not exceed Seven Hundred Thousand Dollars (\$700,000).

D. For the period, September 1, 2007 through August 31, 2008, the maximum obligation shall not exceed One Million Seven Hundred Seventy Three Thousand, Seven Hundred Dollars (\$1,773,700).

In the event that this Agreement is suspended, canceled, or terminated, County's payment obligation above shall cease as of the date of such suspension, cancellation, or termination.

Contractor shall pay the wages of his or her employees or agents who may render services hereunder as well as be responsible for all employment obligations and benefits for each employee, including, but not limited to, federal and State withholding

taxes, Social Security taxes, Unemployment Insurance and Disability payments, if any.

Contractor agrees that should it perform services not requested and specified under this Agreement, such services shall be deemed to be a gratuitous effort on the part of Contractor and Contractor shall have no claim against County for such services."

7. Paragraph 10, INDEMNIFICATION, of the body of the Agreement shall be amended to read as follows:

"10. INDEMNIFICATION:

A. County shall defend, indemnify, and save harmless only Contractor, Fortino Castaneda, M.D., Inc. and all other physicians who are providing services under this Agreement to the extent that they are either employees, principals or approved subcontractors of Contractor (for purposes of this Paragraph hereafter collectively referred to as "Protected Entity") from liability, expense and claims for damages resulting from or related to a medical incident arising out of the provision of on-site and teleradiology contract services hereunder. For purposes of this Agreement, a "medical incident" shall mean any act or omission in the rendering of, or failure to render, medical services, or treatment to County Registered Patients by

a Protected Entity, at MLK-Harbor, Harbor, OVMC and HDHS, in the performance of the Protected Entity's professional obligations under this Agreement.

B. County's defense and indemnification of Protected Entity hereunder shall only apply to payments of settlements, judgments, and awards to third parties. County's defense and indemnification of Protected Entity hereunder shall further only arise if Protected Entity's liability is to a County Registered Patient or the patient's representative, and the patient, at the time of the medical incident, was receiving care from Protected Entity in the discharge of its obligations under the terms and conditions of this Agreement.

C. Protected Entity shall give prompt telephonic notice within twenty-four (24) hours) to the MLK-Harbor, Harbor, OVMC and HDHS Facility Risk Managers of any incident, receipt of notice of intent to sue, action, or claim to which this indemnification applies and shall fully cooperate with County and its claims representatives, in any defense, settlement, or other disposition of such incident, action, or claim. Such telephonic notice shall be immediately followed by written notice to the MLK-Harbor, Harbor, OVMC and HDHS Risk Managers. Such written notice shall include all

of the information listed in County's Risk Management form. Contractor hereby acknowledges receipt of said County Risk Management form, and shall assure that each Protected Entity receives a copy.

D. County reserves the right to investigate any incident, notice of intent to sue, action, or claim. In such event, Protected Entity shall allow County representatives access to the medical records and reports pertaining to the services provided to any County Registered Patient involved in such incident, notice of intent to sue, action, or claim. Protected Entity shall also allow County representatives access to its employees and agents, if any, who provided services to the County Registered Patients involved in such incident, notice of intent to sue, action, or claim.

County reserves the right to determine the final disposition of any action or claim. In the event Protected Entity does not agree with the County or its agents in any defense, settlement, or other disposition of such action or claim, Protected Entity may retain counsel, at Protected Entity's sole expense, to pursue defense, settlement, or other disposition of such action or claim independently. In the event that

Protected Entity chooses to retain counsel at its own expense to pursue defense, settlement, or other disposition of such action or claim independently, County's defense and/or indemnification obligation with respect to such action or claim shall be discharged and immediately terminate. County shall not have any obligation to further defend and/or indemnify Protected Entity, which as a result of choosing to retain independent counsel and pursuing defense, settlement, or other disposition of such action or claim independently, shall no longer be working in good faith with the County.

E. County shall have no defense and/or indemnification responsibility or liability for any incident, notice of intent to sue, action, or claim against Protected Entity where Protected Entity failed to provide County with prompt telephonic and written notice of such incident, notice of intent to sue, action, or claim, as specified in Subparagraph 6.C. above, or if Contractor has failed to fully and reasonably cooperate with County and its agents in the defense, settlement, or other disposition of such incident, action, or claim.



In addition, County shall have no defense and indemnification responsibility or liability for any incident, action, or claim against Protected Entity by patients or their legal representatives, other than County Registered Patients who are receiving or received services pursuant to this Agreement. In addition, the obligation of the County to defend and/or indemnify shall not extend to or cover any allegation or complaint of Protected Entity's willful or criminal misconduct, including but not limited to sexual harassment, sexual assault, and/or sexual misconduct of any kind, nor shall the obligation to defend and/or indemnify extend to or cover any allegation or complaint pertaining to Protected Entity's employment or agency related matters. The obligation of the County to defend and/or indemnify shall not extend to or cover any person, real and/or corporate, except those specifically identified in Paragraph 8.A. County specifically disclaims any and all obligation to defend and/or indemnify any persons, real or corporate, who are not specifically identified in Paragraph 8.A. The obligation of the County to defend and/or indemnify shall not extend to or cover any award of any punitive damages.

F. The provisions of this Paragraph shall survive the expiration or earlier termination of this Agreement for actions or claims against Protected Entity."

8. Paragraph 37, TERMINATION FOR NON-ADHERENCE TO LOBBYIST ORDINANCE shall be added to the ADDITIONAL PROVISIONS of the Agreement as follows:

"37. TERMINATION FOR NON-ADHERENCE TO LOBBYIST ORDINANCE: The Contractor, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by the Contractor, shall fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Contract, upon which the County may in its sole discretion, immediately terminate or suspend this Contract."

9. Paragraph 38, TERMINATION FOR CONVENIENCE OF THE COUNTY shall be added to the ADDITIONAL PROVISIONS of the Agreement as follows:

"38. TERMINATION FOR CONVENIENCE OF THE COUNTY:

A. Performance of services under this Contract may be terminated by the County, in whole or in part,

when such action is deemed by the County to be in its best interest. Termination of work shall be effected by delivery to the Contractor of a thirty (30) calendar-day, prior written Notice of Termination. The Notice of Termination shall specify the extent to which performance of work is terminated and the date upon which such termination becomes effective.

B. If, during the term of this Contract, the County funds appropriated for the purposes of this Contract are reduced or eliminated, County may immediately terminate this Contract upon written notice to the Contractor.

C. After receipt of the Notice of Termination and except as otherwise directed by the County, the Contractor shall:

D. Immediately stop services under this Contract on the date and to the extent specified in the Notice of Termination.

E. Complete performance of such part of the work as shall not have been terminated by the Notice of Termination.

F. After receipt of a Notice of Termination, Contractor shall submit to the County, in the form and with the certifications as may be prescribed by the

County, its termination claim and invoice. Such claim and invoice shall be submitted promptly, but not later than three (3) months from the effective date of termination. Upon failure of the Contractor to submit its termination claim and invoice within the time allowed, the County may determine, on the basis of information available to the County, the amount, if any, due to the Contractor in respect to the termination and such determination shall be final. After such determination is made, the County shall pay the Contractor the amount so determined.

G. Upon termination of this Contract, Contractor shall deliver to the County all work completed or in progress, including all data, reports and deliverables within ten (10) business days after termination of this Contract.

H. Upon termination of this Contract, Contractor shall comply with the provisions of Paragraph 1, Records and Audits, herein above.

I. Subject to the provisions of Subsection D, the County and the Contractor shall negotiate an equitable amount to be paid to the Contractor by reason of the total or partial termination of work pursuant to this Paragraph 38. Said amount may include a

reasonable allowance for overhead on work done but shall not include an allowance on work terminated. County shall pay the agreed amount, subject to other limitations and provided that such amount shall not exceed the total funding obligated under this Contract, as reduced by the amount of payments otherwise made and as further reduced by the Contract price of work not terminated."

10. Exhibit A-2, DESCRIPTION OF SERVICES is attached to this Amendment and incorporated into this Agreement by reference.

11. Exhibit B-2, BILLING, PAYMENT AND SCHEDULE OF RATES is attached to this Amendment and incorporated into this Agreement by reference.

12. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services, and Contractor has caused this  
Amendment to be subscribed in its behalf by its duly authorized  
officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Bruce A. Chernof, M.D.  
Director and Chief Medical Officer

FORTINO CASTANEDA, M.D., INC.  
Contractor

APPROVED AS TO FORM  
BY THE OFFICE OF THE  
COUNTY COUNSEL

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Principal Deputy County Counsel

\_\_\_\_\_  
Printed Name

Title \_\_\_\_\_  
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO CONTRACT  
ADMINISTRATION:

By \_\_\_\_\_  
Cara O'Neill, Chief  
Contracts and Grants Division

AMEND2Fortino.KS:08/03/07

EXHIBIT A-2

DESCRIPTION OF SERVICES

RADIOLOGY AND TELERADIOLOGY SERVICES TO MARTIN LUTHER KING, JR.-  
HARBOR HOSPITAL, HIGH DESERT HEALTH SYSTEM, OLIVE VIEW-UCLA  
MEDICAL CENTER AND HARBOR-UCLA MEDICAL CENTER

1. SERVICES TO BE PROVIDED:

A. Contractor shall provide or arrange for the provision of Radiology and Teleradiology Services (as hereinafter defined), in accordance with the terms and subject to the conditions set forth in this Agreement. For purposes of this Agreement, "Radiology" and "Teleradiology Services" means the Professional Services and Coverage described in Section 2(A)(2) of this Exhibit A-2. "Reading Site", as used in this Exhibit A-2, is defined as a place at which radiologic images are interpreted for teleradiology services only. "Teleradiology" is defined as a radiologic professional interpretation of radiographic studies performed at a remote site with images transmitted electronically. "Service Site" is defined as a place at which radiologic procedures are performed and images obtained. The Service Sites for this Agreement are located at Martin Luther King, Jr.-Harbor Hospital, 12021 South Wilmington Avenue, Los Angeles, California, 90059, High Desert Health System, 44900 N. 60<sup>th</sup> Street, West, Lancaster,

California, 93536, Harbor-UCLA Medical Center, 1000 West Carson Street, Torrance, California, 90509 and Olive View-UCLA Medical Center, 14445 Olive View Drive, Sylmar, California, 91342, (hereafter collectively "Facilities" or singularly "Facility") all of which are medical facilities.

The Director may, with consent of Contractor add additional service sites, however, the addition of such sites shall not effect the maximum obligation set forth in Paragraph 6 of the Agreement unless Agreement is amended in the form of a written amendment which is formally approved and executed by the County Board of Supervisors. The addition of service sites shall be made in writing.

B. Contractor shall be expected to participate in departmental meetings, quality assurance activities, on-site medical conferences, the peer review process, and any other on-site activities deemed to be appropriate as requested by the Director, the Administrators of each Facility, or Radiology Medical Directors of each Facility, or their designated representatives (hereafter referred to as "Administrative Services"). Contractor has no obligation to provide academic services. The obligations of Contractor shall not include overall physician responsibility for MLK-Harbor, OVMC, HDHS and Harbor radiological services under State licensing laws and regulations or under any hospital accreditation standards or requirements, and each facility



acknowledges that it is looking to other radiologists at the Facility to exercise and fulfill such physician responsibility.

2. CONTRACTOR RESPONSIBILITIES:

A. Professional Services: Contractor shall provide or arrange for the provision of the following services (collectively, the "Professional Services"):

1. Radiology Services:

(a) Interpretation of diagnostic radiographic examinations, computed tomography, magnetic resonance imaging, nuclear medicine, gastrointestinal and genitourinary examinations, ultrasound, and intervention radiographic examinations;

(b) Preparation of reports shall be as follows:

(1) The report on all procedures annotated as being "stat" priority by each Facility shall be dictated by Contractor into the dictation system provided by each facility within thirty (30) minutes of receiving the image. The referring physician may therefore access the report through the telephone or the Internet. It is assumed that all emergency room services are "stat".

(2) All non-emergency procedures for inpatients with no specific priority annotation shall be considered to be routine and the report on such images shall be dictated by Contractor into the dictation system provided within one hundred twenty (120) minutes of Contractor receiving the image;

(3) All non-emergency procedures for outpatients with no specific priority annotation shall be considered to be routine and the report on such images shall be dictated by Contractor into the dictation system provided within three hundred sixty (360) minutes of Contractor receiving the image;

(4) If Affiliated Physician or Principal of Contractor determines that a condition reflected in an image requires immediate attention, he or she shall contact appropriate personnel at the Facility by telephone.

(5) All interpretations shall be signed by the Affiliated Physician or Principal who interpreted the image within twelve (12)

hours of receipt of the transcribed report.

However, in no case shall a report be signed more than seventy-two (72) hours after it was dictated.

(c) Professional consultation to each Facility's Radiology Department staff, including technologists, sonographers, supervisors, nursing staff, and other attending and consulting physicians, as requested by each Facility.

(2) Teleradiology Services:

(a) Perform interpretation of radiographic images received at a reading site from each Facility.

(b) Telephone consultation by the Contractor with a physician, physician designee, or nurse at the Facility, to the extent that the patient's condition requires such consultation, and the consultation has been requested from each Facility prior to or immediately following dictation or other communication by Contractor that indicates that there exists on the image a condition/result needing immediate attention and/or requiring clarification; and

(c) Preparation of reports shall be as follows:

(1) The report on all procedures annotated as being "stat" priority by each facility shall be dictated by Contractor into the dictation system provided by each Facility within thirty (30) minutes of receiving the image. The referring physician may therefore access the report through the telephone or the Internet. It is assumed that all emergency room services are "stat";

(2) All non-emergency procedures for inpatients with no specific priority annotation shall be considered to be routine and the report on such images shall be dictated by Contractor into the dictation system provided within one hundred twenty (120) minutes of Contractor receiving the image;

(3) All non-emergency procedures for inpatients with no specific priority annotation shall be considered to be routine and the report on such images shall be dictated by Contractor into the dictation system provided within three hundred sixty (360) minutes of Contractor receiving the

image;

(4) If Affiliated Physician or Principal of Contractor determines that a condition reflected in an image requires immediate attention, he or she shall contact appropriate personnel at the Facility by telephone.

(5) All interpretations shall be signed by the Affiliated Physician or Principal who interpreted the image within twelve (12) hours of receipt of the transcribed report. However, in no case shall a report be signed more than seventy-two (72) hours after it was dictated.

B. Business License: County acknowledges that the requirement that a Contractor shall provide evidence that it has, for a minimum of three (3) years, been in business as a provider of teleradiology services described in this Agreement is waived. However, Contractor must possess a current business license at the time of contract execution, and continuously thereafter throughout the term of the Agreement, including any extensions thereto. Prior to the execution of this Agreement, Contractor shall provide the Department of Health Services, Contracts and Grants

Division, with a copy of its current business license(s) and appropriate Employer Identification Number.

C. Hours of Coverage:

(1) The actual hours of service to be provided by Contractor shall be established by Administrator of each Facility after notice and consultation with Contractor. Each Facility Administrator may require Contractor's services on a shift, hourly or procedure-specific basis at Administrator's discretion, and may change the established hours at any time upon reasonable notice to Contractor, and after consultation with Contractor.

(2) Radiology Services:

(a) For each Facility Contractor shall be prepared to provide on-site physician coverage by an affiliated physician or principal to perform Professional Services during the hours of 6:00 p.m. Friday through 6:00 p.m. Sunday, Pacific Time, including holidays.

(b) Each Facility Administrator may utilize Contractor's services during any other time periods specified by such Administrator with Contractor's consent.

(3) Teleradiology Services:

(a) Contractor shall provide an affiliated physician or principal to perform Professional Teleradiology Services as requested and agreed upon with Administrator, but at a minimum during the hours of 6:00 p.m. through 7:00 a.m. Sunday through Thursday, Pacific Time, including holidays.

(b) Each Facility Administrator may utilize Contractor's services during any other time periods specified by such Administrator with Contractor's consent.

D. Additional Provisions:

(1) Contractor shall use the dictation system provided by each Facility to prepare final reports.

(2) Contractor shall ensure that an affiliated physician and/or principal is always available for direct physician consultation.

E. Qualifications of Affiliated Physician or Principal: Each Affiliated Physician or Principal shall:

(1) Possess the necessary license(s) to perform the professional services required under this Agreement;

(2) Maintain medical staff privileges at each Facility; and;

(3) Be certified by the American Board of Radiology.

F. Additional Services: Additional Services shall be provided as follows:

(1) Contractor shall provide ongoing maintenance of the global network infrastructure implemented for teleradiology services to meet the demands of each Facility.

(2) Contractor shall provide ongoing maintenance of the Teleradiology connection implemented at each Facility and continue to ensure that appropriate safeguards are in place.

(3) Contractor shall provide for technical support to address problems in the computer infrastructure used by Contractor to provide Teleradiology Services.

3. EQUIPMENT AND SUPPLIES: Contractor, at no cost to County, shall provide or arrange for the provision of the following items and services (collectively, the "Equipment and Supplies") for the purpose of providing optimal teleradiology services and associated processing of reports:



A. Computer hardware selected by Contractor, to be utilized at the Reading Site(s);

B. Computer operating system software selected by Contractor, to be utilized at the Reading Site(s), with the exception of any software necessary to electronically connect with PACS and Affinity;

C. Installation of software at the Reading Site(s), and training on such equipment of personnel utilizing computer hardware and software at the Reading Site(s);

D. Facsimile and telephone to be utilized at the Reading Site(s) to communicate with each facility; and

E. Any supplies, services, maintenance, repairs, and upgrades required to allow the use of the equipment described in Paragraphs 3A through D above for the provision of optimal teleradiology services and associated reports.

4. SUPPORT STAFF: County shall employ or contract for the services of the certified radiologic technologists, or other qualified and authorized personnel, to properly transmit images to the Reading Site(s).

5. COMMUNICATION OF STUDY INTERPRETATIONS: Each Facility shall take such actions as may be necessary, including provision of sufficient resources at the hospital, to allow for the immediate communication to the referring physician and/or other appropriate physician(s) of all interpretations of studies

performed by the Affiliated Physicians and Principals and communicated to a Service Site.

6. MAINTENANCE OF FILMS AND PATIENT RECORDS: Each Facility shall maintain all radiographic films and related patient records pertaining to studies interpreted by Affiliated Physicians and/or Principals in accordance with applicable federal and state laws. Upon request by Contractor for reasonable business purposes, including patient treatment or in connection with a professional liability claim, and after receipt from Contractor of any authorization or consent required by law, a Facility shall transmit electronic copies to Contractor and provide access to such films and records by the requesting party or its authorized agent, including the right to make copies thereof at the expense of the requesting party.

7. ADDITIONAL OBLIGATIONS OF MLK-HARBOR; HDHS; HARBOR AND OVMC:

A. Each Facility shall notify Contractor of the telephone and facsimile numbers and contact person at each location providing images for purposes of receiving teleradiology services ("Service Site") prior to the commencement date of services for that site.

B. In the event that the Facility personnel at a Service Site experiences difficulty in transmitting an image to a Reading Site, the facility personnel shall notify Contractor of such difficulty by telephone immediately.

C. Each Facility shall cooperate with Contractor in the delivery of the services to be provided hereunder, including providing reasonable assistance to Affiliated Physicians or Principals seeking medical staff privileges at the Facility.

D. Each Facility shall be responsible for obtaining or for causing the physician requesting the professional services at the Service Site to obtain any necessary informed consents from patients relating to the provision of Teleradiology Services.

E. Each Facility shall cause Radiologists not covered by this Agreement to perform image review in the event that Contractor is unable to receive readable images and/or sufficient patient information from the Service Site during periods when Contractor is responsible for providing teleradiology services, for reason of failure of equipment referenced in Paragraphs 3. A. through D., above.

F. Each Facility shall cause County employed Radiologists to exercise overall responsibility for the radiological service at each Service Site to the extent that such responsibility is required to be exercised by a physician or physician group under State licensing laws and regulations or under any applicable hospital accreditation

standards or requirements.

G. Each Facility shall provide necessary licenses and access to PACS and dictation systems for purposes of providing services under this Agreement.

H. Each Facility shall provide the dictation system, paperwork supplies and all materials necessary for dictation.

8. PARKING SPACE: When providing services hereunder on site, each Facility Administrator shall make accommodations to provide parking at the facility for the Physician Affiliates and Principals.

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EXHIBIT B-1

BILLING, PAYMENT, AND SCHEDULE OF RATES  
MARTIN LUTHER KING, JR./DREW MEDICAL CENTER

1. BILLING AND PAYMENT: Contractor shall bill County in arrears, in accordance with the terms, conditions, and rates set forth below. All billings shall clearly reflect and provide reasonable detail of the services for which claim is made, including, but not limited to, the names of the patients treated, their Medical Record Number, type of services (procedures) provided, name of the Affiliated Physician or Principal who provided each service, date of service, the authorized rate, and any other charges or credits, as set forth in this Agreement. To the extent that Contractor is seeking payment for a services which is pay for on a per diem basis, such billing shall also indicate the amount of time spent providing the service.

Separate bills shall be issued to each Facility for services provided to patients of that Facility and forwarded to the attention of the Facility Expenditure Management Division promptly at the beginning of each month for services provided in the prior month. Upon receipt of a complete and correct bill, County shall pay Contractor within thirty (30) working days. Incorrect and/or discrepant billings, as determined by the Facility, will be returned to Contractor for correction before payment is made.

2. COMPENSATION RATES: County shall compensate Contractor for providing services hereunder in accordance with the schedule of rate(s) listed below:

A. Professional Services: In payment for Professional Services and each and every other responsibility imposed on Contractor by this Agreement, including but not limited to the obligation to make physicians available as specified in Paragraph 2, Section C, 2. (b) of Exhibit A-2, except Administrative Services, Contractor shall receive a fee based on the following schedule. The fee will be paid for each Study for which there is a dictated and signed report.

- (1) Magnetic Resonance: \$55 per Study
- (2) Computed Tomography: \$45 per Study
- (3) Ultrasound: \$35 per Study
- (4) General Diagnostic Studies: \$15 per Study
- (5) Gastrointestinal Studies: \$100
- (6) Nuclear Medicine Studies: \$45
- (7) Angiography performed while providing services onsite during prescheduled hours: \$700
- (8) Angiography performed after Contractor came in during non-scheduled hours: \$900
- (9) Other interventional procedures, including but not

limited to, PICC Line insertions to be completed only when Contractor is scheduled to provide service on-site: \$150.

B. For purposes of this Exhibit B-2, "Study" means a procedure that is described using a distinct procedural code under the Current Procedure Terminology (CPT) of the American Medical Association, and which would warrant a separate payment under the rules applied by the Medicare Program. For example, if two (2) CPT codes are utilized, consistent with the rules applied by the Medicare Program to describe the professional services furnished under this Agreement, there would be a fee for two (2) Studies under this Agreement.

C. The agreed upon charges for services for each Study described in Professional Services, Section A., numbers 7 and 8 above includes payment for the complete provision of services, i.e., preliminary procedures and/or preparation for the examination, the provision of the actual examination, the overall interpreting process, and all required follow-up to insure the report is accurate and released to the referring physician in the time frames provided for in this Agreement.